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Ref. WINNER 003/2023

February 27, 2023

Subject: Management Discussion and Analysis for the year ended 31 December 2022

To: The President  
The Stock Exchange of Thailand

**1. Analysis of Operating Results and Financial Position for the Company and its subsidiary**

**1.1 Significant events during the year**

- On 27 April 2022, the Annual General Meeting of the Company's shareholders passed a resolution to approve a decrease of the Company's registered share capital by cancelling of unissued 25,338 ordinary shares, at the par value of Baht 0.25 each from the existing registered capital amount of Baht 150,000,000 to be Baht 149,993,665.50. The Company registered a decrease in its registered capital with the Ministry of Commerce on 5 May 2022.
- On 10 May 2022, the Board of directors meeting of the Company passed a resolution to approve the acquisition of additional ordinary shares of Winner Agro Innovation Company Limited (the associate) of 0.68 million shares at a price of Baht 10 per share, or a total of Baht 6.8 million. As a result, the Company' shareholding in an associate was unchanged at 45% of an associate's issued capital. The Company made payment for such additional share capital in June 2022 and an associate registered an increase in its share capital with the Ministry of Commerce on 8 July 2022.

- In 2022, the Company performed impairment test on investment in a subsidiary by reviewing the recoverable value of the cash generating unit by calculating from the value-in-use method and found that the recoverable value was lower than book value of investment in such subsidiary amount of Baht 235.1 million which the Company has recognised provision for such loss from impairment of investment in a subsidiary in the previous year amount of Baht 78.7 million. Therefore, the Company recognised an additional provision for such loss from impairment of investment in a subsidiary in 2022 amount of Baht 156.4 million.

Due to the performing impairment test on investment in a subsidiary as mentioned above, the Company and its subsidiary had to recognise loss from impairment of total goodwill amount of Baht 94.4 million in consolidated financial statements of 2022.

However, at present, the management of the Group is in process of financial and operational management to encourage better performance of a subsidiary in the future.

## 1.2 Analysis of Operating Results for the Company and its subsidiary for the year ended 31 December 2022

Table 1: Operating results for the year ended 31 December 2022

(Unit: Thousand Baht)

	Consolidated Financial Statements		Increase (Decrease)		Separate Financial Statements		Increase (Decrease)	
	2022	2021	Thousand Baht	%	2022	2021	Thousand Baht	%
<b>Total revenues</b>	<b>2,040,178</b>	<b>1,809,191</b>	<b>230,987</b>	<b>12.8</b>	<b>2,005,251</b>	<b>1,775,173</b>	<b>230,078</b>	<b>13.0</b>
Sales and service income	2,026,474	1,784,853	241,621	13.5	1,990,870	1,748,474	242,396	13.9
Cost of sales and service	1,590,907	1,388,466	202,441	14.6	1,565,425	1,365,167	200,258	14.7
<b>Gross profit</b>	<b>435,567</b>	<b>396,387</b>	<b>39,180</b>	<b>9.9</b>	<b>425,445</b>	<b>383,307</b>	<b>42,138</b>	<b>11.0</b>
Other income	13,704	24,338	(10,634)	(43.7)	14,381	26,699	(12,318)	(46.1)
<b>Profit before expenses</b>	<b>449,271</b>	<b>420,725</b>	<b>28,546</b>	<b>6.8</b>	<b>439,826</b>	<b>410,006</b>	<b>29,820</b>	<b>7.3</b>
Selling and distribution expenses	112,146	103,994	8,152	7.8	107,785	97,863	9,922	10.1
Administrative expenses	184,562	172,852	11,710	6.8	156,467	140,869	15,598	11.1
Loss from impairment of investment in subsidiary	-	-	-	-	156,470	37,120	119,350	321.5
Loss from impairment of goodwill	94,446	-	94,446	100.0	-	-	-	-
<b>Total Expenses</b>	<b>391,154</b>	<b>276,846</b>	<b>114,308</b>	<b>41.3</b>	<b>420,722</b>	<b>275,852</b>	<b>144,870</b>	<b>52.5</b>
<b>Operating profit</b>	<b>58,117</b>	<b>143,879</b>	<b>(85,762)</b>	<b>(59.6)</b>	<b>19,104</b>	<b>134,154</b>	<b>(115,050)</b>	<b>(85.8)</b>
Share of profit (loss) from investment in associate	(912)	3,169	(4,081)	(128.8)	-	-	-	-
Finance cost	(5,774)	(6,344)	570	(9.0)	(4,842)	(5,146)	304	(5.9)
<b>Profit before income tax expenses</b>	<b>51,431</b>	<b>140,704</b>	<b>(89,273)</b>	<b>(63.4)</b>	<b>14,262</b>	<b>129,008</b>	<b>(114,746)</b>	<b>(88.9)</b>
Income tax expenses	(42,027)	(32,028)	(9,999)	31.2	(33,983)	(33,592)	(391)	1.2
<b>Profit (loss) for the period</b>	<b>9,404</b>	<b>108,676</b>	<b>(99,272)</b>	<b>(91.3)</b>	<b>(19,721)</b>	<b>95,416</b>	<b>(115,137)</b>	<b>(120.7)</b>
<b>Other comprehensive income:</b>								
Actuarial gain - net of income tax	2,742	-	2,742	100.0	2,483	-	2,483	100.0
<b>Total comprehensive income for the year</b>	<b>12,146</b>	<b>108,676</b>	<b>(96,530)</b>	<b>(88.8)</b>	<b>(17,238)</b>	<b>95,416</b>	<b>(112,654)</b>	<b>(118.1)</b>
Gross profit margin	21.5%	22.2%	(0.7%)		21.4%	21.9%	(0.5%)	
Selling and distribution expenses per sales	5.5%	5.8%	(0.3%)		5.4%	5.6%	(0.2%)	
Administrative expense per sales	9.1%	9.7%	(0.6%)		7.9%	8.1%	(0.2%)	
Net profit (loss) margin	0.5%	6.0%	(5.5%)		(1.0%)	5.4%	(6.4%)	
Earnings (loss) per share (Bath/Share)	0.02	0.18	(0.16)		(0.03)	0.16	(0.19)	
<b>Profit for the year (Normalize)</b>	<b>103,850</b>	<b>108,676</b>	<b>(4,826)</b>	<b>(4.4)</b>	<b>136,749</b>	<b>132,536</b>	<b>4,213</b>	<b>3.2</b>
<b>Total comprehensive income for the year (Normalize)</b>	<b>106,592</b>	<b>108,676</b>	<b>(2,084)</b>	<b>(1.9)</b>	<b>139,232</b>	<b>132,536</b>	<b>6,696</b>	<b>5.1</b>
<b>Net profit margin (Normalize)</b>	<b>5.1%</b>	<b>6.0%</b>	<b>(0.9%)</b>		<b>6.8%</b>	<b>7.5%</b>	<b>(0.7%)</b>	
<b>Earnings per share (Bath/Share) (Normalize)</b>	<b>0.17</b>	<b>0.18</b>	<b>(0.01)</b>		<b>0.23</b>	<b>0.22</b>	<b>0.01</b>	

## Revenues

### Revenues from sales and service

Table 2: Revenues from sales separated by main product segment for year ended 31 December 2022

(Unit: Thousand Baht)

Product Type	For the year ended				Increase (Decrease)	
	31 December				Thousand	
	2022	%	2021	%	Baht	%
Industrial food products segment	813,935	40.2	729,354	40.9	84,581	11.6
Consumer food products segment	1,173,919	57.9	1,011,324	56.7	162,595	16.1
Manufacture of skincare products, cosmetics, food supplements and medicines used to treat skin diseases segment	38,620	1.9	44,175	2.5	(5,555)	(12.6)
<b>Total</b>	<b>2,026,474</b>	<b>100.0</b>	<b>1,784,853</b>	<b>100.0</b>	<b>241,621</b>	<b>13.5</b>

In 2022, the Company and its subsidiary's revenues from sales and service were Baht 2,026.5 million, increasing amount of Baht 241.6 million or 13.5%. Revenues from sales of industrial food products segment increased amount of Baht 84.6 million or 11.6% which was mainly from product group of food ingredient such as cocoa powder, potato starch, and etc. Revenues from sales of consumer food products segment increased amount of Baht 162.6 million or 16.1% from product group of snack & confectionary, food ingredient, and frozen & chilled food such as cheese, French fries, frozen fruits and vegetables, and etc. which was mainly from the Company was able to sell more products to big customers and Horeca group due to the current situation of the Coronavirus-19 pandemic has relieved, so hotel, restaurant and airline businesses have reopened widely and a number of tourists increased from the relief of the government's tourist quarantine measures.

However, revenues from sales of manufacture of skincare products, cosmetics, food supplements and medicines used to treat skin diseases segment decreased amount of Baht 5.6 million or 12.6%. which the management of the Group is currently in process of operational management to encourage better performance of this segment in the future.

### Gross profit

In 2022, the Company and its subsidiary's gross profit was Bath 435.6 million, increasing amount of Baht 39.2 million. Gross profit margin was 21.5%, slightly decreasing from the previous year by 0.7%.

The Company's gross profit was Baht 425.4 million, increasing amount of Baht 42.1 million which was in accordance with an increase in sales and service income amount of Baht 242.4 million while cost of sales increased amount of Baht 200.3 million. The Company's gross profit margin was 21.4%, slightly decreasing from the previous year by 0.5% which was mainly due to an effect of the depreciation of Thai Baht compared with the previous year. In 2022, value of Thai Baht against US dollar was between 32.30-38.50, while the previous year was between 30.03-34.09.

### Other income

In 2022, the Company and its subsidiary's other income was Baht 13.7 million, decreasing amount of Baht 10.6 million which was mainly due to in 2021 the Company had other income from the reversal of liabilities amount of Baht 11.8 million from an adjustment of accrued marketing expenses of the prior year which were overestimated than the amount charged by creditors while there was no such transaction in this year.

### Expenses

#### Selling and distribution expenses

In 2022, the Company and its subsidiary's selling and distribution expenses were Baht 112.1 million, increasing amount of Baht 8.2 million or 7.8% which were from employee expenses increased amount of Baht 3.0 million (from the Company's expenses amount of Baht 4.8 million while a subsidiary decreased in employee expenses amount of Baht 1.8 million due to a decrease in a number of employees) and marketing expenses increased amount of Baht 4.6 million which was mainly due to an increase in promotion of sample products distribution, advertisement via New Media, and expenses for booth at ThaiFex- Anuga Asia 2022; Asia's leading food expo. Moreover, delivery expenses increased amount of Baht 0.5 million which was in accordance with an increase in fuel price and sales.

However, the ratio of the Company and its subsidiary' selling and distribution expenses to net sales was 5.5%, decreasing from the previous year by 0.3% and the ratio of the Company' selling and distribution expenses to net sales was 5.4%, decreasing from the previous year by 0.2% due to the Company and its subsidiary had more efficiency in expenses management.

#### Administrative expenses

In 2022, the Company and its subsidiary's administrative expenses were Baht 184.6 million, increasing from the previous year amount of Baht 11.7 million or 6.8%.

However, the ratio of the Company and its subsidiary' administrative expenses to net sales was 9.1%, decreasing from the previous year by 0.6% and the ratio of the Company' administrative expenses to net sales was 7.9%, decreasing from the previous year by 0.2% due to the Company and its subsidiary were still able to manage expenses efficiently.

For increasing administrative expenses were mainly from the following reasons;

- Provision for loss from obsolete stock increased amount of Baht 3.8 million which was a provision recorded amount of Baht 1.2 million in this year while was a reversal of provision amount of Baht 2.6 million in previous year.
- Consulting and professional fees increased amount of Baht 0.9 million.
- Property and land taxes increased amount of Baht 0.5 million due to in 2021, there was a reduction of such tax rate according to the Royal Decree which land and property tax was reduced by 90 % of the calculated tax amount in order to reduce the burden and alleviate the impact on most of entrepreneurs and people from COVID-19 pandemic, while there was no such tax rate reduction in this year.

- External warehouse rental fee increased amount of Baht 1.7 million to support a volume of inventories increasing which was in accordance with an increase in sales.
- Employee expenses slightly increased amount of Baht 1.1 million from the Company's employee expenses increased amount of Baht 3.8 million while a subsidiary decreased in employee expenses amount of Baht 2.7 million according to a number of employees decreasing.
- Moreover, other administrative expenses increased amount of Baht 3.7 million which were from computer system expense, donation expenses, research and development expenses, maintenance expenses, equipment-supplies expenses, and etc.

#### **Loss from impairment of investment in subsidiary**

In 2022, the Company performed impairment test on investment in a subsidiary by reviewing the recoverable value of the cash generating unit by calculating from the value-in-use method by estimating the Company's recoverable discounted cash flow which was referred from financial projection approved by the management. The discounted cash flow covered 5 years and found that the recoverable value of the cash generating unit by using the value-in-use of assets was lower than book value of investment in a subsidiary amount of Baht 235.1 million which the Company has recognised provision for such loss from impairment of investment in a subsidiary in the previous year amount of Baht 78.7 million. Therefore, the Company recognised an additional provision for such loss from impairment of investment in a subsidiary in 2022 amount of Baht 156.4 million.

At present, the Company is in process of financial and operational management to encourage better performance of a subsidiary in the future.

#### **Loss from impairment of goodwill**

Refer to a subsidiary's recoverable value of the cash generating unit reviewing as mentioned in above paragraph, the Company and its subsidiary had to recognise loss from impairment of total goodwill amount of Baht 94.4 million in consolidated financial statements of 2022.

#### **Share of loss from investment in associate**

In 2022, share of loss from investment in associate based on equity method increased amount of Baht 4.1 million. During the previous year, the Company acquired investment in associate in May 2021 and recognised share of profit from investment in associate amount of Baht 3.2 million. However, in this year, the Company recognised share of loss from investment in associate amount of Baht 0.9 million.

### Finance cost

Finance cost of the Company and its subsidiary decreased amount of Baht 0.6 million which was mainly from the Company's interest expenses decreased from long-term loan from financial institution repayment during the year. By the way, during the first quarter of 2022, the Company repaid such loan in full amount.

### Profit for the period

In 2022, the Company and its subsidiary's profit for the year was Baht 9.4 million, decreasing from the previous year amount of Baht 99.3 million or 91.3% which was due to loss from impairment of goodwill amount of Baht 94.4 million, other income decreased amount of Baht 10.6 million, selling and distribution expenses increased amount of 8.2 million, administrative expenses increased amount of Baht 11.7 million, share of loss from investment in associate increased amount of Baht 4.1 million, and income tax expenses increased amount of Baht 10.0 million. However, gross profit increased amount of Baht 39.2 million. Moreover, finance cost decreased amount of Baht 0.6 million as mentioned above.

**By the way, excluding loss from impairment of goodwill, profit for the year (Normalize) of the Company and its subsidiary was Baht 103.9 million, slightly decreasing from previous amount of Baht 4.8 million or 4.4%.**

The Company's loss for the year was Baht 19.7 million, so the profit decreased from the previous year amount of Baht 115.1 million or 120.7% which was mainly due to loss from impairment of investment in subsidiary increased amount of Baht 119.4 million, other income decreased amount of Baht 12.3 million, selling and distribution expenses increased amount of Baht 9.9 million, administrative expenses increased amount of Baht 15.6 million, and income tax expenses increased amount of Baht 0.4 million. However, gross profit increased amount of Baht 42.1 million and finance cost decreased amount of Baht 0.3 million as mentioned above.

**By the way, excluding loss from impairment of investment in subsidiary, profit for the year (Normalize) of the Company was Baht 136.7 million, increasing from previous amount of Baht 4.2 million or 3.2%.**

### Other comprehensive income

The Company and its subsidiary's other comprehensive income increased amount of Baht 2.7 million. In 2022, the Company and its subsidiary engaged with independent expert to assess provision for defined benefits for post-employment in order to comply with the relevant financial reporting standards and recognised gain - net of income tax in other comprehensive income amount of Baht 2.7 million (the Company's gain Baht 2.5 million and a subsidiary's gain Baht 0.2 million), while there was no such transaction in the previous year.

By the way, the Company and its subsidiary engage with independent expert to assess provision for employee benefits based on actuarial basis in order to comply with relevant financial reporting standards approximately every 3 years or when there is a change in event which has a significant effect on the obligation under such defined benefits for post-employment plan.

### Total comprehensive income for the year

In 2022, the Company and its subsidiary's total comprehensive income was Baht 12.1 million, decreasing from the previous year amount of Baht 96.5 million or 88.8% due to profit for the year decreased amount of Baht 99.3 million while other comprehensive income increased amount of Baht 2.7 million.

By the way, excluding loss from impairment of goodwill, total comprehensive income for the year (Normalize) of the Company and its subsidiary was Baht 106.6 million, slightly decreasing from the previous amount of Baht 2.1 million or 1.9%.

## 2. Financial Position Analysis

Table 3: Overall Financial Position of the Company and its subsidiary as at 31 December 2022

(Unit: Thousand Baht)

	Consolidated Financial Statements				Increase (Decrease)		Separate Financial Statements				Increase (Decrease)	
	31/12/22	%	31/12/21	%	Thousand Baht		31/12/22	%	31/12/21	%	Thousand Baht	
Current Assets	938,462	71.1	790,358	61.7	148,104	18.7	922,887	71.8	777,648	61.4	145,239	18.7
Non-Current Assets	382,099	28.9	489,907	38.3	(107,808)	(22.0)	362,593	28.2	489,569	38.6	(126,976)	(25.9)
<b>Total Assets</b>	<b>1,320,561</b>	<b>100.0</b>	<b>1,280,265</b>	<b>100.0</b>	<b>40,296</b>	<b>3.1</b>	<b>1,285,480</b>	<b>100.0</b>	<b>1,267,217</b>	<b>100.0</b>	<b>18,263</b>	<b>1.4</b>
Current Liabilities	694,752	52.6	558,146	43.6	136,606	24.5	659,292	51.3	518,734	40.9	140,558	27.1
Non-Current Liabilities	39,287	3.0	39,749	3.1	(462)	(1.2)	34,985	2.7	32,049	2.5	2,936	9.2
<b>Total Liabilities</b>	<b>734,039</b>	<b>55.6</b>	<b>597,895</b>	<b>46.7</b>	<b>136,144</b>	<b>22.8</b>	<b>694,277</b>	<b>54.0</b>	<b>550,783</b>	<b>43.5</b>	<b>143,494</b>	<b>26.1</b>
Shareholders' equity	586,522	44.4	682,370	53.3	(95,848)	(14.0)	591,203	46.0	716,434	56.5	(125,231)	(17.5)
<b>Total liabilities and shareholders' equity</b>	<b>1,320,561</b>	<b>100.0</b>	<b>1,280,265</b>	<b>100.0</b>	<b>40,296</b>	<b>3.1</b>	<b>1,285,480</b>	<b>100.0</b>	<b>1,267,217</b>	<b>100.0</b>	<b>18,263</b>	<b>1.4</b>

### 2.1 Assets

As at 31 December 2022, the Company and its subsidiary had total assets amount of Baht 1,320.6 million which were comprised of current assets amount of Baht 938.5 million or 71.1% of total assets and non-current assets amount of Baht 382.1 million or 28.9% of total assets.

The main compositions of assets were inventories amount of Baht 489.3 million or 37.1%, trade and other receivables amount of Baht 393.3 million or 29.8%, property, plant and equipment amount of Baht 310.4 million or 23.5%.

- Current assets were Baht 938.5 million, increasing from the previous year amount of Baht 148.1 million or 18.7%. The main reasons were from inventories increased amount of Baht 100.5 million to support an increase in sales, and trade and other receivables increased amount of Baht 53.2 million which was in accordance with sales increasing while cash and cash equivalents decreased amount of Baht 4.0 million and other current assets decreased amount of Baht 1.4 million.

- Non-current assets were Baht 382.1 million, decreasing from the previous year amount of Baht 107.8 million or 22.0%. The main reasons were from goodwill decreased amount of Baht 94.4 million due to the recognition of loss from impairment of goodwill in full amount, right-of-use assets decreased amount of Baht 8.5 million, property, plant and equipment decreased amount of Baht 6.7 million, and deferred tax assets decreased amount of Baht 5.1 million while investment in associate increased amount of Baht 5.8 million (in the second quarter of 2022, the Company acquired additional ordinary shares of associate with an unchanged proportion of investment at 45%), and other non-current assets increased amount of Baht 0.9 million.

## 2.2 Liabilities

As at 31 December 2022, the Company and its subsidiary had total liabilities amount of Baht 734.0 million, which were comprised of current liabilities amount of Baht 694.7 million or 94.6% of total liabilities and non-current liabilities amount of Baht 39.3 million or 5.4% of total liabilities.

The main compositions of liabilities were bank overdrafts and short-term loans from financial institutions amount of Baht 414.2 million or 56.4% and trade and other payables amount of Baht 221.0 million or 30.1%.

- Current liabilities increased from the previous year amount of Baht 136.6 million or 24.5%. The main reasons were from bank overdrafts and short-term loans from financial institutions increased amount of Baht 157.1 million and other current liabilities increased amount of Baht 14.6 million, while trade and other payables decreased amount of Baht 20.9 million, and current portion of long-term loans from financial institutions decreased amount of Baht 14.3 million from loans repayment during the year.
- Non-current liabilities slightly decreased from the previous year amount of Baht 0.5 million or 1.2%. The main reasons were from lease liabilities - net of current portion decreased amount of Baht 2.3 million while provision for long-term employee benefits increased amount of Baht 1.9 million

## 2.3 Shareholders' equity

Shareholders' equity as at 31 December 2022 was Baht 586.5 million, decreasing from the previous year amount of Baht 95.8 million due to the Company and its subsidiary's total comprehensive income for the year 2022 amount of Baht 12.1 million while there was a dividend paid during the year amount of Baht 108.0 million.



### 3. Cash flows Analysis

Table 4: Overall cash flow of the Company and its subsidiary for the year ended 31 December 2022

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2022	2021	2022	2021
Cash flows from (used in) operating activities	(4,934)	5,198	9,718	11,259
Cash flows used in investing activities	(21,189)	(15,786)	(41,431)	(29,994)
Cash flows from financing activities	22,163	4,698	28,976	12,721
<b>Net decrease in cash and cash equivalents</b>	<b>(3,960)</b>	<b>(5,890)</b>	<b>(2,737)</b>	<b>(6,014)</b>
Cash and cash equivalents at beginning of the year	37,923	43,813	34,805	40,819
Cash and cash equivalents at end of the year	33,963	37,923	32,068	34,805

#### ▪ Net cash flows from (used in) operating activities

The Company and its subsidiary had net cash flows used in operating activities for the year 2022 amount of Baht 4.9 million. However, the Company had net cash flow from operating activities amount of Baht 9.7 million.


#### ▪ Net cash flows used in investing activities

##### ✚ The Company and its subsidiary

✚ 2022: The Company and its subsidiary's net cash flows used in investing activities were amount of Baht 21.2 million. The main reasons were from the Company acquired additional investment in an associate amount of Baht 6.8 million, acquired equipment during the year amount of Baht 11.1 million such as building improvement amount of Baht 3.8 million (e.g. skin care laboratory, application laboratory, conference room at warehouse, and production plant for herb products), computers and equipment amount of Baht 2.2 million, tools and equipment amount of Baht 2.0 million, asset under construction of Baht 1.5 million, and etc., and acquired intangible assets amount of Baht 3.4 million. Meanwhile, there was cash received from sales of equipment amount of Baht 0.1 million.

✚ 2021: The Company and its subsidiary's net cash flows used in investing activities were amount of Baht 15.8 million. The main reasons were from the Company acquired investment in an associate during the year amount of Baht 14.2 million and acquired equipment and intangible assets amount of Baht 3.8 million and Baht 0.8 million, respectively. Meanwhile, there was cash received from sales of equipment amount of Baht 3.0 million.


#### The Company


 2022: The Company's net cash flows used in investing activities were amount of Baht 41.4 million. The main reasons were from provided loans to a subsidiary during the year amount of Baht 24.1 million, acquired additional investment in an associate amount of baht 6.8 million, acquired equipment amount of Baht 9.1 million such as building improvement amount of Baht 3.0 million (e.g. skin care laboratory, application laboratory, conference room at warehouse, and etc.), computers and equipment amount of Baht 2.2 million, tools and equipment amount of Baht 2.0 million, and etc., and acquired intangible assets amount of Baht 3.1 million. Meanwhile, there were cash received from interest income amount of baht 1.6 million and sales of equipment amount of Baht 0.1 million.

 2021: The Company's net cash flows used in investing activities were amount of Baht 30.0 million. The main reasons were from the Company acquired investment in an associate amount of Baht 14.2 million and additional investment in a subsidiary amount of Baht 100.0 million (In the third quarter of 2021, a subsidiary increased registered ordinary share from Baht 80 million to a new one amount of Baht 180 million), provided short-term loan to a subsidiary during the year amount of Baht 8.3 million, and acquired equipment amount of Baht 3.2 million such as computer equipment amount of Baht 2.0 million, and etc., and acquired intangible assets amount of Baht 0.6 million. Meanwhile, the Company received long-term loans repayment and interest income from a subsidiary amount of Baht 89.0 million and Baht 4.4 million, respectively. Besides, there was cash received from sales of equipment amount of Baht 3.0 million.


#### ■ Net cash flows from financing activities


##### The Company and its subsidiary

 2022: The Company and its subsidiary's net cash flows from financing activities were amount of Baht 22.2 million. The main reasons were from short-term loans from financial institutions increased amount of Baht 157.1 million. Meanwhile, there were dividend payment amount of Baht 108.0 million, long-term loans from financial institutions repayment and lease liabilities payment amount of Baht 14.3 million and Baht 12.7 million, respectively.

 2021: The Company and its subsidiary's net cash flows from financing activities were amount of Baht 4.7 million. The main reasons were from dividend paid to shareholders amount of Baht 45.6 million, long-term loans from financial institutions repayment amount of Baht 102.6 million, and lease liabilities payment amount of Baht 14.5 million. Meanwhile, short-term loans from financial institutions in form of trust receipts increased amount of Baht 167.3 million.

##### The Company

 2022: The Company's net cash flows from financing activities were amount of Baht 29.0 million. The main reasons were from short-term loans from financial institutions increased amount of Baht 160.6 million. Meanwhile, there were dividend payment amount of Baht 108.0 million, long-term loans from financial institutions repayment amount of Baht 14.3 million, and lease liabilities payment amount of Baht 9.3 million.

 2021: The Company's net cash flows from financing activities were amount of Baht 12.7 million. The main reasons were from dividend paid to shareholders amount of Baht 45.6 million, long-term loans from financial institutions repayment amount of Baht 98.6 million, and lease liabilities payment amount of Baht 11.5 million Meanwhile, short-term loans from financial institutions in form of trust receipt payables increased amount of Baht 168.3 million.

Refer to the above information, the Company and its subsidiary decreased in cash and cash equivalents during the year 2022 amount of Baht 3.9 million. When combined with cash and cash equivalents as at 31 December 2021 amount of Baht 37.9 million, the Company and its subsidiary's cash and cash equivalents as at 31 December 2022 were equal to Baht 34.0 million.

Please be informed accordingly.

Yours faithfully,

(Jane Wongisariyakul)

CEO

Winner Group Enterprise Public Company Limited

